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## Greece

## Planting Seeds

## Annual

## 2003

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**Report Highlights:**

Government and private producers supply a portion of the domestic demand for seeds for planting in Greece. Because of superior quality and reliable supply, most farmers buy privately produced seed. Corn and other irrigated crops are replacing cotton after the 2001 bumper crop was heavily penalized under the EU's CAP. Opportunities exist for durum wheat seed imports if karnal bunt is addressed.

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**SECTION I: Situation and Outlook Narrative****PRODUCTION**

Seeds are produced in Greece by two types of institutions. The primary production is by private companies and the lesser production is by quasi-government organizations. Tobacco seed is produced and distributed to farmers by the Tobacco Institute (part of the National Network of Institutes for Agricultural Research under the Ministry of Agriculture - NAGREF), while sugar beet seed is produced and distributed by the Hellenic Sugar industry. Local varieties of cotton seed are produced by the Cotton Institute, also part of NAGREF.

Domestic cotton seed was produced for many years in cooperation with the Hellenic Cotton Board but both the Hellenic Cotton Board and Hellenic Tobacco Board were abolished in 2002 after the GOG's decision to integrate their activities and responsibilities into the Field Crops Division of the Ministry of Agriculture and OPEGIEP. This agency within the Ministry of Agriculture is responsible for EU Policy implementation on Subsidies and Income Supports, handling FEOGA funds.

Some domestically produced field crop and vegetable seeds are distributed to farmers at relatively lower prices, by KESP, the Central Cooperative Union for Supplying Agricultural Inputs. However, the bulk of seed supplies are distributed by private companies. The majority of farmers prefer to use seed offered by private companies due to better quality and consistent supplies. Farmers buy seed individually or through their farm groups and local cooperative unions.

Seven private companies produce cotton and corn seed domestically. Those firms produce domestic seed by licence and use local varieties and/or imported genetics for their production needs. Their production is limited to the amounts needed to supplement domestic market needs. Cooperatives use domestic varieties of cotton, corn and wheat in particular. U.S. genetics account for 60% of the total planted seed in 2003 for all crops. Some sugar beet seed, less than one ton, is imported from the EU by the Hellenic Sugar Industry for propagation purposes and genetic regeneration for locally produced seed distributed to farmers by the Industry.

The Cotton seed demand for the 2003 cotton plantings was 7,920 MT, which corresponds to 22 Kg/ha of planted seed to cover acreage of 360,000 ha. Reportedly, Delta Pine has supplied the market with approximately 2,800 MT (some of this quantity was imported this year and the rest came from MY 2002 stocks), 1,500 MT from Bayer Hellas, 1,300 MT from S. Spyrou S.A. (supplying US seed either imported or produced domestically by license), 700 MT from VETERIN (mostly Greek Varieties), 600 MT from Eythymiadis Company (mostly of the "Christina" local variety), 500 MT from Pioneer Hellas (new Stoneville Agent for Greece), 250 MT from Elanco, and the remaining of about 300 MT were supplied by other companies (Sygenta, KESPY, etc). Prices paid by farmers have fluctuated between 5.28 - 6.75 Euros/Kg according to variety and origin. Higher prices were paid for US cottonseed varieties. Over 60% of the total cottonseed supplies for planting, in Greece, originate in the US and/or US genetics, produced domestically under license.

As cited in GR2022, corn and other irrigated crops have replaced a certain percentage of cotton acreage in 2003, after the penalties imposed by the EU for the cotton crops of Greece in 2001 and 2002, according to EU Reg. 1050/2001 and 1051/2001, which impose high co responsibility levies when cotton production exceeds the quota. In 2003 farmers replaced their acreage with alternative crops such as durum wheat, industrial tomato and corn. Total cotton planted acreage of 390,000 hectares in 2001 has declined to 360,000

hectares in 2002 and according to early estimates for 2003, total acreage will remain approximately at the same level as in 2002.

Most seeds used in Greece for field crops, vegetables, grasses and forage plants are imported from the EU, the United States and, to a lesser extent, from third countries (S.Africa, Turkey, etc). Domestic production covers only part of the local demand for some products such as tobacco, sugar beets, alfalfa, wheat and some cotton. Corn seed is no longer produced domestically in significant amounts, so imports account for almost 100% of the crop.

The Corn seed needs are estimated at 150,000 bags of 75,000 seeds/bag (each bag weighs about 15 kg) for an average area of 140,000 Ha to be planted. Almost 65 percent of this amount is imported by Pioneer Hellas and the remaining 35 percent by Syngenta (approximately 15,000-20,000 Bags), Monsanto (about 10,000 Bags, with three brand names: Dekalb, Asgrow and Hartz) and others, including a very limited number of domestically produced corn seed, distributed by KESPY (Central Cooperative Organization for Agricultural Supplies and Services). In 2003, growers paid between 147-167 Euros per bag of 75,000 seed kernels, with prices varying according to variety.

Essentially, US genetics utilized in Greece cover a higher percentage from that cited in official statistics, due to transactions taking place elsewhere in Europe and also from third countries where the seed produced is based on US genetics and exported to Greece. Corn, as cited above, became a popular Greek crop again when farmers replaced significant cotton acreage with corn, after their record 2001 cotton crop which brought low grower prices and farmers were penalized for exceeding those output thresholds set by the EU.

Total wheat seed demand in Greece is 125,000-130,000 MT. Of this, annual domestic production of durum wheat seed is estimated to be 25,000 - 30,000 MT and soft wheat seed production is 48,000 MT. The remainder comes from a rotation of seed. The main durum wheat seeds domestically produced are the FLAVIO, VAVAROS and MEXA varieties with an average 13% protein content in produced grain, yielding up to 4,700 Kg/Ha in a good year. There are another 5-6 local durum wheat varieties well adapted and used in certain regions. Durum seed usage fluctuates between 150-180 kgs per hectare. Soft wheat varieties domestically produced are the YECORA, VERGINA SIETE and MYRTOS. Soft wheat seed yield reaches 2,500-2,700 Kgs/Ha.

Annual Imports of wheat seed (durum wheat variety under the brand name "Kronos") are estimated at 200-300 MT/annum.

Either the GOG Ministry of Agriculture and/or the competent authorities in the country of origin where the seed is imported must certify all wheat seed for planting.

In September 2002, GOG Ministry of Agriculture announced that in compliance with relevant EU Regulations (1251/1999 - EEL160/99 and 2316/1999 -EEL280/99), durum wheat farmers from that point onwards must reduce seed usage per area unit from 150-180 Kgs /Ha, down to 100Kg/Ha of only certified seed. Farmers customarily rotated the use of new wheat seed every 4-5 years, which reduced the level of sales of saved Greek certified seed produced domestically. This regulation prohibits the use of saved seed kept on farm, from previous harvests and for all durum wheat varieties grown, starting with the 2002-planting season.

Under the new CAP reform developments, farmers who use high quality seed for top durum wheat varieties, will be qualified to receive 40 Euros/ha as a subsidy. This is an incentive for EU grain farmers, to produce better qualities of durum wheat. Only those farmers who satisfy

this EU requirement will be eligible to receive the EU income support (grain subsidy per area unit cultivated with durum wheat).

The purpose of applying these regulations is to increase durum wheat output and improve quality. This decision was not well accepted by farmers and seed traders in particular. In order to comply, farmers are obliged to pay more for durum wheat seed and to use 100% certified seed. The volume of seed trade is expected to decline by almost 30-35% as a result. Soft wheat seed usage is not affected by the above regulations.

The 80% of cotton acreage replacement was by the industrial tomato crop. Usage of the industrial tomato has already increased and farmers show a strong preference for this crop. Industrial tomato planting seeds cover a total acreage of 17,000 ha which correspond to an average yield of 60 MT/ha. Above needs are mostly covered by standard tomato seed varieties (80%) and partly by tomato hybrids (20%), which are imported mainly from EU countries and the USA.

In 2003, growers paid for tomato hybrids approximately 22.60 Euros per 5,000 seeds, 202.80 Euros per 50,000 seeds and 603.20 Euros per 150,000 seeds. Prices for standard varieties fluctuate from 35.20 Euros to 114.00 Euros. The most common standard tomato early varieties used in Greece are the RIO GRANDE and Missouri.

Domestic production of other field crop seeds is improving, especially for sugar beet seed, tobacco seeds and alfalfa. The latter is becoming an important crop in Greece utilizing acreage left over from partly abandoned irrigated fields (i.e. cotton fields). Extensive analysis of the situation, including usage of other imported seed, was given in the report No. GR1020.

The Government of Greece has developed a National seed Catalogue (or seed registry), which require that all varieties planted commercially, be listed. The average time it takes to register a seed variety is two years. Foreign and national companies apply for seed registration and they agree to have their seed to be tested by the Greek Agricultural Research Foundation (NAGREF). If testing proves that new varieties are suitable for Greek conditions and they fulfil all the required criteria, then registration is completed.

## **PLANT HEALTH REGULATIONS**

Greece follows the EU Phytosanitary regulations complying fully with EU Reg. No. 2204/1999 which amended EU Reg. No. 2658/87. In GR0026 (2000 Annual Planting Seeds report) a full description is given of the phytosanitary regulations in effect (Pages 49). There are no changes reported since then. US Traders attempting and/or willing to sell US durum wheat seed to Greece, must seriously consider the karnal bunt issue, well in advance. All wheat (both grain and seed) will be subject to laboratory testing upon arrival.

Discussions over Karnal Bunt are still in progress in order to investigate probable ways to facilitate imports of U.S. wheat seeds into the Greek market. Wheat sampling, testing developments and procedures are among the most critical issues for the abrogation of this restriction. Durum wheat seeds of U.S. origin (Mexicalli variety) remain highly preferred by a number of importers.

## **SEED CERTIFICATION**

The general structure of the Greek seed certification system is extensively described in GR0026 (2000 annual). There are no changes since then. The years 2001, 2002 and 2003 (for seed imports to be planted) proved to be extremely difficult for Greek Authorities to test 100% of all the seed types imported into the country. In the case of cottonseed, testing was problematic because of GOG's testing for biotech (GM) content. This was costly, and it

caused delays in seed distribution due to a lack of sufficient laboratory capacity and expertise. On the other hand, in 2002 the Hellenic Cotton Board (HCB) was closed down and its agencies and staff were absorbed by the Ministry of Agriculture and other GOG Agencies. For many years, the HCB was the key agency involved in the cottonseed certification process in cooperation with the regional Ministry of Agriculture certification centers (KEPYELs) helping in field inspections and in certification, according to relevant legislation pertaining to seed production. Judging by these developments, the Ministry of Agriculture does not yet have the capacity to fully undertake all these responsibilities and incur 100% sampling and testing for all the imported seed lots.

Currently, sampling and testing of imported cottonseed takes place on a random basis (1 out of 10 seed lots are sampled and tested). The tolerance level for corn seed approved events is set at 0.5% content of transgenic material, while for cotton seed, the "non presence" requirement is still in effect.

The EU Technical Certification Regulation sets all the necessary technical presuppositions in the seed production area (laboratory tests, regular controls for phytopathological infections, etc). Furthermore, a Technical Trade Regulation is issued in order to define packing specifications and trading procedures for domestically produced and imported seeds.

Greece requires for all commercial seed shipments the following documents:

A commercial invoice, bill of Lading, certificate of origin, phytosanitary certificate and OECD certificate for each imported lot, per species.

Seed handling and treatment equipment facilities are at a very advanced level, in both the private and public sectors in Greece. Lack of funds for professionally trained personnel is the largest constraint, to handle large amounts of seed utilized in all crop sectors.

#### **INTELLECTUAL PROPERTY RIGHTS (PLANT VARIETY PROTECTION/PLANT PATENTS AND VARIETY APPROVAL)**

Intellectual property rights are covered within the framework of EU Regulation No. 2100/94. Registration procedures for new varieties to either the EU or National variety catalogs are already described in GR0026.

#### **MARKET DEVELOPMENT OPPORTUNITIES**

The Greek market for grass species is responding to demand created by the forthcoming 2004 Olympics. Varieties needed must be easily grown under dry conditions such as: Acorus, Carex, Zoysias and Bermudas varieties.

Prairie meadow seed blends, which can be used only for landscape rehabilitation purposes, erosion control, and small-scale ground cover solutions, are proposed for a big part of the Olympic games landscape projects.

The total need for the Greek market is estimated at 200-500 MT of lawn seeds annually. This probably indicates annually required prior to the Olympics. This quantity is imported mainly from Holland and Italy. An indicative retail price for blended grass seed is approximately at 3.0-3.2 Euros/kg. There has been a recent joint venture between a U.S. grass seeds exporter and a Greek company, showing the interest of domestic suppliers to satisfy increasing demand. Demand after the Olympics is unpredictable.

## TRADE

**Detailed Trade data on major seeds imported into Greece, for CY 2002, are not obtainable at this time due to a long lasting strike of the Ministry of National Economy staff (National Statistical Service is part of this Ministry). When the staff resumes work we will obtain the data and provide an update to this report.**

The total quantity of field crop seeds utilized from year to year does not vary much, due to predetermined areas for planting under the EU crop area quota system. There are some variations based on variety from year to year and some fluctuations in land use. Some increase in demand is reported for vegetable seeds, connected to increased vegetable consumption, and for grass seed blends, due to an increased demand for landscaping projects, in view of the 2004 Olympic games. Most vegetable seed imports come from Europe.

Non-biotech seed cotton and corn hybrids have been approved for field trials in Greece since the 1999 EU-wide moratorium began. Nevertheless, Bt corn, Roundup-Ready corn and Bt cotton seed varieties were assessed by the EU Scientific Committees and found not to pose a danger to the environment or to human health. Once the moratorium is lifted, procedures may restart and trials could be discussed between GOG and US seed companies, for both corn and cotton bio-engineered varieties.

A slight but steady increase in demand is reported for all grass seeds. German and Dutch grass seed suppliers have taken the lead in the Greek market, but there is great potential for further developments and enough room for new suppliers due to increasing activity in landscaping, especially for seed mixtures for sowing and/or sod production.

Certified seed for all crops, which do not use hybrid seeds, continue to be required for the farmers who receive EU subsidies and income supports, mainly wheat, rice, tobacco & sugar beets.

Field crop seeds, especially cotton and corn, are imported mainly from the United States. There is a decrease observed in 2002 and 2003 imports from the U.S., compared to those imported in previous years. For cottonseed in particular, this is due to the Ministerial Decision in effect, which require a "non presence" of biotech in imported seed. Despite this threat, no shipments of U.S. cottonseed this year have been turned back due to the presence of GM material, although testing took place. Samples of both imported and domestically produced cottonseed were taken for routine testing for quality and purity. Testing for the presence of biotech material took place on a random basis and no GM contaminated seed lots were found.